

Message Text

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SUBJECT: GAO REVIEW OF PEACEFUL NUCLEAR EXPORT POLICIES
OF MAJOR SUPPLIER NATIONS
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A. THE GENERAL ACCOUNTING OFFICE PLANS TO CONDUCT
A REVIEW OF PEACEFUL NUCLEAR EXPORT POLICIES OF THE
MAJOR SUPPLIER NATIONS. THE PURPOSE OF THIS REVIEW
IS TO COMPARE THE SPECIFIC NUCLEAR EXPORT LAWS, POLICIES,
REGULATIONS, AGREEMENTS, AND PROCEDURES OF SELECTED
FOREIGN COUNTRIES WITH THOSE OF THE UNITED STATES.

B. RECENTLY, MYRON KRATZER, DEPUTY ASSISTANT SEC-
RETARY, OES, RECEIVED A LIST OF DATA REQUIRED BY GAO

INCLUDING AVAILABLE SUPPORTING DOCUMENTATION TO BE RECEIVED NO LATER THAN JANUARY 25, 1977, TO ALLOW FOR REPORTING TO THE CONGRESS EARLY IN THE 95TH SESSION. GAO HAS ASKED FOR A NEGATIVE REPLY BY THAT DATE IF DATA IS NOT AVAILABLE AT THE DEPARTMENT OR FROM COGNIZANT U.S. EMBASSIES.

C. GAO REQUESTED INFORMATION FOLLOWS:

(TITLE) INFORMATION NEEDED BY THE GENERAL ACCOUNTING OFFICE ON THE PEACEFUL NUCLEAR EXPORT POLICIES OF THE MAJOR SUPPLIER NATIONS.

(BEGIN TEXT) THE GENERAL ACCOUNTING OFFICE HAS UNDERTAKEN A REVIEW OF THE PEACEFUL NUCLEAR EXPORT POLICIES OF THE MAJOR NON-COMMUNIST SUPPLIER COUNTRIES -- CANADA, FRANCE, JAPAN, THE UNITED KINGDOM, THE UNITED STATES, AND WEST GERMANY. THE OBJECTIVE OF THE GAO REVIEW IS TO COMPARE AND ANALYZE THE SPECIFIC NUCLEAR EXPORT POLICIES, LAWS REGULATIONS, AGREEMENTS, PROCEDURES, AND TECHNICAL AND FINANCIAL ASSISTANCE ACTIVITIES OF OTHER EXPORTING COUNTRIES WITH A VIEW TOWARDS IDENTIFYING POSSIBLE OPTIONS FOR STRENGTHENING THE U.S. NUCLEAR EXPORT PROGRAM.

THE FOLLOWING SECTIONS OUTLINE THE SPECIFIC INFORMATION
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AND SUPPORTING DOCUMENTATION GAO IS SEEKING ON THE NUCLEAR EXPORT PROGRAMS OF CANADA, FRANCE, JAPAN, THE UNITED KINGDOM, AND WEST GERMANY.

--BACKGROUND ON NUCLEAR ACTIVITIES

--1. AN OVERVIEW OF THE ATOMIC ENERGY PROGRAM OF EACH COUNTRY, OUTLINING THE FUNCTIONAL RESPONSIBILITIES OF THE VARIOUS DEPARTMENTS AND AGENCIES INVOLVED WITH NUCLEAR EXPORTS AND HOW THEY FIT INTO THE COUNTRY'S OVERALL NUCLEAR EXPORT SYSTEM.

--2. ANNUAL STATISTICS ON EACH COUNTRY'S NUCLEAR EXPORT ACTIVITY FOR A PRACTICAL TIME PERIOD (PERHAPS 1970-1976) AND PROJECTED DEMAND AND SUPPLY TRENDS IDENTIFYING:

--TYPES OF NUCLEAR MATERIAL, EQUIPMENT, AND TECHNOLOGY EXPORTED;

--RECIPIENTS OF SUCH EXPORTS; AND

--THE QUANTITIES AND VALUE OF NUCLEAR EXPORTS.

-- 3. INFORMATION ON THE INDUSTRIAL NUCLEAR CAPACITY
OF EACH COUNTRY INCLUDING:

-- THE FUEL ENRICHMENT AND REPROCESSING CAPABILITY;

-- THE NUMBER OF NUCLEAR REACTORS THAT MUST BE PRODUCED
ANNUALLY TO MAINTAIN THE VIABILITY OF THE INDUSTRY;
AND

-- THE CURRENT AND PROJECTED DOMESTIC DEMAND FOR
NUCLEAR REACTORS.

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-- STATUTORY REQUIREMENTS AND AGREEMENTS FOR COOPERATION --

-- 1. THE LAWS AND REGULATIONS OF THE RESPECTIVE
-- COUNTRIES GOVERNING THEIR ATOMIC ENERGY ACTIVI-
-- TIES. (PROVIDE COPIES OF PERTINENT NUCLEAR LAWS
-- AND REGULATIONS.)

-- 2. LIST OF NUCLEAR AGREEMENTS BETWEEN THE SUPPLIER
-- COUNTRIES AND RECIPIENTS AND TYPICAL EXAMPLES
-- OF SUCH AGREEMENTS.

-- 3. REQUIREMENTS FOR TECHNICAL OR ECONOMIC JUSTIFI-
-- CATIONS OR CRITERIA AS A CONDITION FOR NUCLEAR
-- EXPORTS.

-- IN THE EVENT THAT A COUNTRY DOES NOT REQUIRE A FORMAL
PEACEFUL USES AGREEMENT FOR NUCLEAR COOPERATION OR TO THE
EXTENT THAT SUCH INFORMATION IS NOT PART OF A FORMAL AGREE-
MENT, WHAT CONDITIONS ARE REQUIRED FOR COOPERATION RELATING
TO THE FOLLOWING AREAS:

-- EXCHANGE OF PEACEFUL NUCLEAR INFORMATION;

-- TRANSFERS AND RETRANSFERS OF NUCLEAR MATERIALS,
EQUIPMENT, AND TECHNOLOGY;

-- TRANSFERS AND RETRANSFERS THROUGH IAEA AND EURATOM;

-- REPROCESSING;

-- GUARANTEES AGAINST USE FOR ANY EXPLOSIVE DEVICE;

-- BILATERAL SAFEGUARDS RIGHTS;

-- NPT ADHERENCE; AND

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-- SPECIFIC SANCTIONS PROVIDED FOR NON-COMPLIANCE.

--REGULATORY AND LICENSING FUNCTIONS--

-- 1. CRITERIA AND STANDARD PROCEDURES FOR LICENSING
-- OR REGULATING NUCLEAR EXPORTS.

-- 2. THE TYPES AND TRIGGER QUANTITIES OF NUCLEAR
-- MATERIAL, EQUIPMENT, AND TECHNOLOGY SUBJECT TO
-- EXPORT CONTROLS.

-- 3. ANY SPECIAL LICENSING CONDITIONS THAT MUST BE MET
-- ON EXPORTS OF SPECIAL NUCLEAR MATERIAL, HEAVY
-- WATER PLANTS, AND ENRICHMENT AND REPROCESSING
-- FACILITIES.

-- 4. THE PROCEDURES FOR AUTHORIZING EXPORTS OF NUCLEAR
-- COMPONENTS (E.G., REPAIR AND REPLACEMENT PARTS)
-- AND NUCLEAR RELATED ITEMS SIMILAR TO ITEMS WHICH
-- ARE LICENSED FOR EXPORT IN THE UNITED STATES BY
-- THE DEPARTMENT OF COMMERCE.

-- 5. ANY EXCEPTIONS TO A COUNTRY'S GENERAL EXPORT
-- CONTROL PROCEDURES, SIMILAR TO U.S. GOVERNMENT-
-- TO-GOVERNMENT TRANSFERS, AND THE LIMITS OR
-- RESTRICTIONS ON THEIR USE.

-- SAFEGUARDS --

-- 1. INFORMATION ON ANY BILATERAL SAFEGUARDS INSPEC-
-- TION PROGRAM CARRIED OUT BY THE SUPPLIER COUNTRY
-- PRIOR TO THE IMPLEMENTATION OF IAEA SAFEGUARDS.

-- 2. REQUIREMENTS FOR RESIDUAL SAFEGUARDS RIGHTS RE-
-- SERVED IN THE EVENT IAEA OR EURATOM SAFEGUARDS
-- COULD NO LONGER BE EFFECTIVELY APPLIED.

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-- 3. ANY REQUIREMENTS BY THE SUPPLIER COUNTRY THAT
-- IT BE PERMITTED TO RECEIVE ACCOUNTABILITY INFOR-
-- MATION FROM IAEA ON NUCLEAR COMMODITIES SUPPLIED
-- TO OTHERS.

-- 4. PROVISIONS MADE TO EXTEND SAFEGUARDS RIGHTS BE-
-- YOND THE EXPIRATION DATE OF THE AGREEMENT
-- BETWEEN SUPPLIER AND RECIPIENT.

- 5. THE SUPPLIER COUNTRY'S POLICIES TOWARDS, SUPPORT
-- OF, AND PARTICIPATION IN THE IAEA SAFEGUARDS
-- PROGRAM.
- 6. ANY SUGGESTIONS MADE BY THE SUPPLIER TO IMPROVE
-- AND UPGRADE INTERNATIONAL SAFEGUARDS OR TO
-- PROVIDE GREATER ASSURANCES THAT SUCH SAFEGUARDS
-- ARE EFFECTIVELY IMPLEMENTED.

--PHYSICAL SECURITY--

- 1. THE PHYSICAL SECURITY MEASURES REQUIRED OF
-- RECIPIENTS AS CONDITIONS FOR EXPORTING NUCLEAR
-- MATERIAL, EQUIPMENT, AND TECHNOLOGIES.
- 2. PHYSICAL SECURITY REVIEWS CONDUCTED BY THE
-- SUPPLIER NATION IN A RECIPIENT COUNTRY PRIOR TO
-- EXPORTING SIGNIFICANT QUANTITIES OF SPECIAL
-- NUCLEAR MATERIAL.
- 3. THE EXPORTING COUNTRY'S PROCEDURES TO ASSURE IT-
-- SELF THAT PHYSICAL SECURITY MEASURES IN THE
-- RECIPIENT COUNTRY CONTINUE TO BE ADEQUATE.
- 4. ACTIONS TAKEN BY THE SUPPLIER IF IT DETERMINES
-- THE RECIPIENT'S PHYSICAL SECURITY MEASURES ARE
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- WEAK OR INADEQUATE.

--RETRANSFERS--

- 1. THE SUPPLIER'S POLICY REQUIREMENTS AND PROCEDURES
-- RELATING TO RETRANSFERS OF NUCLEAR MATERIALS,
-- EQUIPMENT, AND TECHNOLOGY BY RECIPIENT COUNTRIES.
- 2. THE SUPPLIER COUNTRY'S FORMAL SYSTEM FOR
-- APPROVING RETRANSFERS INCLUDING A STATEMENT ON
-- WHETHER THE GOVERNMENTAL AGENCY HAVING THIS
-- RESPONSIBILITY ALSO HAS THE RESPONSIBILITY FOR
-- APPROVING THE ORIGINAL EXPORT.
- 3. THE PROCESS TO DETECT UNAUTHORIZED TRANSFERS AND
-- PROVISIONS FOR REGAINING CONTROL OVER SUCH
-- MATERIALS, EQUIPMENT, OR TECHNOLOGY.

-- NUCLEAR EXPORT FINANCING --

- 1. SUPPLIER'S POLICIES TOWARD FINANCING NUCLEAR
EXPORTS.

2. THE RELATIONSHIP OF THESE EXPORT FINANCING POLICIES WITH IMPROVING NON-PROLIFERATION OBJECTIVES AND OBTAINING GREATER SAFEGUARDS ASSURANCES.

-- 3. THE EXTENT OF FINANCING TO STIMULATE NUCLEAR EXPORTS AND THE CURRENT TERMS AND INTEREST RATES FOR LOANS ON SUCH EXPORTS.

-- 4. FINANCIAL POLICIES AND REQUIREMENTS REGARDING THE EXPORT OF SENSITIVE ENRICHMENT AND REPROCESSING TECHNOLOGIES.

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-- 5. FINANCIAL INSTITUTIONS' ASSESSMENTS OF THE TECHNICAL AND ECONOMICAL FEASIBILITY OF NUCLEAR POWER GENERATION IN THE RECIPIENT COUNTRY AS COMPARED TO ALTERNATIVE ENERGY SOURCES.

-- 6. THE RECIPIENT COUNTRY'S POLITICAL STABILITY AS A CONDITION FOR FINANCING NUCLEAR EXPORTS.

NUCLEAR SUPPLIERS' MEETINGS

-- 1. PUBLIC STATEMENTS MADE BY THE PARTICIPATING SUPPLIER COUNTRIES OUTLINING WHAT ACTIONS THEY WILL FOLLOW AS A RESULT OF THE SUPPLIERS' MEETINGS.

-- 2. SIGNIFICANT CHANGES IN THE SUPPLIER COUNTRY'S NUCLEAR EXPORT POLICY, PROGRAM, AND PROCEDURES AS A RESULT OF THE MEETINGS.

-- 3. ANY CHANGES IN RESPONSIBILITIES OR DUTIES OF THE IAEA AS A RESULT OF THE SUPPLIERS' DISCUSSIONS.

OTHER RELEVANT DATA

--ANY SIGNIFICANT INFORMATION, NOT COVERED IN THIS OUTLINE, THAT WILL IMPACT ON NUCLEAR EXPORT POLICIES.

D. EMBASSIES ARE ENCOURAGED TO EMPLOY BEST EFFORTS IN UTILIZING RESOURCES ON HAND OR THROUGH APPROPRIATE CONTACTS TO OBTAIN INFORMATION ON REQUESTED TIME SCHEDULE,-WHICH WE RECOGNIZE IS A TIGHT ONE, TO ASSIST GAO IN PREPARING REVIEW. HOWEVER, INFORMATION REQUESTED SHOULD NOT REPEAT NOT BE CONSTRUED TO HAVE ANY CONNECTIONS TO ISSUES UNDER CURRENT DISCUSSIONS

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INITIATIVE BY GAO. THEREFORE, DURING DISCUSSIONS WITH
REPS OF RESPECTIVE GOVERNMENTS OR INDUSTRY, CARE SHOULD
BE TAKEN TO AVOID CREATING ANY FALSE IMPRESSIONS OF

PURPOSE FOR WHICH INFORMATION IS DESIRED. DEPARTMENT
WILL CONTINUE TO WORK WITH OTHER APPROPRIATE AGENCIES
TO FACILITATE GAO REQUEST. MATERIALS POUCHED TO
DEPARTMENT SHOULD BE ADDRESSED TO: DAVID N. JENKINS,
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